

April 1, 2010

LaVerne Washington
President, Confidential Employees' Organization, AFSCME, Local No. 101
c/o City Attorney's Office
200 East Santa Clara Street
San Jose, CA 95113

Dear LaVerne:

I am writing to follow up on my letter dated March 3, 2010. In this letter, we notified you that the City is facing significant budget challenges in the upcoming fiscal year, with the most current estimated general fund shortfall estimate now at approximately \$116 million. We requested to meet with CEO as soon as possible to discuss personnel costs with CEO. Again, we acknowledge that pursuant to Article 4.5 of the current CEO MOA you are under no obligation to reopen the MOA. If you are willing to meet with us, we would offer you our assurance that any discussions would in no way be construed as an agreement by CEO to reopen the current contract, unless and until CEO decides to do so.

We know that this is a difficult situation for everyone involved and we understand that CEO's decision last year to agree to the wage freeze was a very difficult decision. We hope that CEO is again willing to have these discussions in order to save City services and jobs for Fiscal Year 2010-2011.

Given the urgent nature of our fiscal situation, we would appreciate being able to meet with you as soon as possible. Thank you in advance for your prompt response.

Sincerely,



Alex Gurza
Director of Employee Relations

cc: Debra Figone, City Manager
Linda Dittes, Business Agent